

BRITAIN WANTS U.S. DEBT TO HER PAID IN GOLD

Sir George Paish Believes It Will Tend to Stimulate Trade.

NEW YORK BANKERS TO JOIN IN CONFERENCES

WASHINGTON, Oct. 19.—Sir George Paish and Basil B. Blackett, the representatives of the British Treasury, held conferences today with President Wilson, Secretary McAdoo and the Federal Reserve Board. The meetings were more or less of a formal character, the two British economists being introduced in each instance by the British Ambassador, Sir Cecil Spring-Rice.

In the conferences with Mr. McAdoo and the Federal Reserve Board, however, Sir George and Mr. Blackett made known formally Great Britain's views toward the problems of foreign exchange and other financial difficulties now confronting this Government and Ireland.

No attempt was made to formulate a plan of action, but Sir George conveyed to the Federal Reserve Board the assurance that the British Government and the British bankers stood ready to co-operate in the heartiest manner with the United States authorities in clearing up the present complications in international finance.

Secretary McAdoo announced after his talk with Sir George and Mr. Blackett that a series of conferences would be held at the Treasury and that representatives of the leading banking houses in New York would be invited to participate in some of the meetings.

The calling of the New York bankers will be the first move in an effort to bring about concerted action by the bankers of the country in assisting to restore normal trade relations between the United States and Great Britain and possibly other European countries.

Sir George Paish, in his talk with the Treasury Board, made it plain that Great Britain would like to have the present balance due her from the United States paid in gold. This balance is estimated by Sir George at \$200,000,000 or \$250,000,000, but some American bankers believe it is even higher.

Attitude Not Insistent.

The attitude of Great Britain, however, is by no means insistent and the English representatives have come to Washington with the intention of looking at both sides of the problem and in the best analysis doing what they believe will tend the best results all around toward a restoration of commerce and exchange between the nations.

Great Britain's attitude is that of the United States, with its great resources of gold, can well afford to settle its balance with the precious metal, because in doing so it will be adding materially to the general international trade situation for itself and opening the way for a freer flow of cotton and other American products to Great Britain.

The English contention is that Great Britain is now engaged in a vast undercurrent of sustaining credit and warding off industrial depression at home, and that any policy which the United States may adopt to extend the settlement of obligations will return later through the gold benefits to commerce.

It is pointed out further that Great Britain, upon the expiration of the monetary agreement, plans, through its gold reserves, to prevent the calling of loans, including those that have been made by American securities. All this Great Britain is doing on a gold reserve amounting to only \$300,000,000 or \$400,000,000.

The American Reserve. The United States, on the other hand, the British have pointed out, has a reserve of \$1,000,000,000 in gold in the Government vaults besides several hundred million more in the banks. Under these circumstances Great Britain feels that the balance owing to her should be settled in gold.

The United States authorities answer this argument with the statement that while the United States has this large gold reserve there are obstacles which will make it very difficult to attempt to settle its entire balance in that metal.

The argument has been advanced to Sir George and Mr. Blackett that the gold reserve in the Treasury is not available for this use, that it is standing against gold certificates which are in circulation and that the only way in which it could be used would be to acquire a sufficient number of the certificates. Furthermore, the New York banks upon which London draws in exchange have to go to their reserve already having been deposited to a considerable extent.

According to the American authorities, it would mean that the United States in order to settle the present obligations with England in gold, would be obliged to resort to the same method that was resorted to in the recent raising of the \$250,000,000 for the promotion of foreign exchange.

There would have to be a voluntary subscription by the banks of the country, and Washington officials expect considerable difficulty in any attempt that would be made to raise \$250,000,000 for shipment to London.

Short Term Note Plan.

If the British representatives and the United States officials are not able to reach an agreement as to the shipment of gold to London other means of settlement must be devised. One plan contemplates the settlement of the balance of a large part of it in short term notes which the large New York banking institutions ordinarily do a foreign exchange business.

These New York banks would in turn be secured by notes of the Federal Reserve Bank. The impression here is that the British visitors would be willing to consider such a suggestion if they believe the question requires it.

The British representatives gave the United States officials the fullest assurance that Great Britain desired to cooperate in the matter of the reopening of the exchanges. Sir George Paish, it is understood, is desirous of having the exchanges open as soon as possible, because he believes it will stimulate the flow of cotton and other exports to Great Britain.

Great Britain, in fact, would like to see the New York exchange opened under certain restrictions at about the same time the London exchange opens.

TO LOWER GOLD RESERVES.

Clearing House Committee Plans to Meet Reserve Bank Law.

The clearing house committee will meet to take action regarding the reserve of the gold reserves of 25 percent of deposits which banks are obliged to keep under the national bank act to the minimum reserve of 18 percent, which must be kept under the Federal reserve act. The meeting was held yesterday from a meeting of the committee.

Regarding the turning in of national bank notes and the taking out of the Federal reserve notes bankers said that in many cases such an entail is a bookkeeping transaction.

Negro Maid Will Be the First Witness to Tell of Mrs. Lulu Bailey's Murder



JUDGE CHARLES H. KELBY. Continued from First Page.

who showed a strong disposition to rush the doors and obtain entrance anyway. Outside of the building a warm sun was shining on the long line of tenanted automobiles, which put one in mind of the parking ground at a Yale-Princeton football game more than anything else, and restive persons who wanted to get inside but saw that there was no chance of doing so talked in groups and otherwise tried to tickle their curiosity.

It was into this situation that William Bailey, the murdered woman's husband, came by trolley car from Hempstead and alighted. He went directly to the District Attorney's office near the court room and a few minutes later the District Attorney, his assistant and Mr. Bailey edged their way through an agitated corridor and found their seats at a table just beneath Justice Kelby's bench.

A few moments later Dr. Carman and George Levy, one of the attorneys for the defense, and Surgeon John J. Graham, Mrs. Carman's trial lawyer, walked up the stairs to the courtroom. The courtroom was filled with people, and the atmosphere was one of intense interest. The trial was expected to be a landmark case.

The spectators, most of them standing and not one of them, by the way, a woman, unless five women reporters are to be counted, were talking at a great rate when the clerk entered and called for order. A few seconds later Justice Kelby appeared and took his seat. There was a momentary silence. A door at the rear and the left of the bench opened. Mrs. Carman, attended by Warden Holtz, walked onto the scene. She was a slight woman with auburn hair, and she looked directly at the jury as she proceeded to a chair next to Mr. Graham. All eyes of course were turned her way. She herself looked neither up nor down, but she seemed to be looking at the jury. Her husband, Dr. Carman, nodded his head. As she sat down the flush left her cheeks. It was the one and only sign of an inner emotion.

The business of selecting a jury started almost immediately. The first man called was quickly dismissed on District Attorney Smith's challenge because he did not believe in circumstantial evidence. This was the first glimpse that the spectators got into the prosecution's hand.

Each one of the succeeding talesmen called and the question put to them by the District Attorney, showing without much doubt, as in fact has been known, that an important part of the prosecution's case will be based on circumstantial evidence.

As soon as Mr. Graham got a chance at the second talesman he began to ask questions about William J. Burns. It very soon became evident from the questions that the defense has guessed that Mr. Burns will be called by the prosecution and that Mr. Graham placed great importance on this fact. But the questioning of the second talesman proved to be time wasted, for he was very soon challenged by the District Attorney, and the third man, Robert Ludlum, an oysterman from Oyster Bay, was called and accepted by both sides.

This was just twenty-five minutes after the trial had begun. As Ludlum was sworn Mr. Graham leaned over and said a few words to Mrs. Carman. She glanced at her first jurymen and smiled. Justice Kelby wrote something with a blue pencil. Another talesman was called and the spectators, glancing at the clock, guessed that later came to happen, that a complete jury would be selected without any very bitter arguments between counsel.

Men of Middle Age. Out of eighteen men examined up to the time of the recess at 12:30 o'clock six had been chosen. They were all small tradesmen, as are the other six as well, and of middle age. Their examination had not been as serious a procedure as one might have expected under the circumstances, and it was not unaccompanied by touches of humor, such as, for instance, when one volunteered the information that he was prejudiced by the fact that Mrs. Carman had placed a dictograph in her husband's office, but that he would not want his wife to do the same. This brought a smile from Dr. Carman and from every one else, so far as could be seen, excepting only Mrs. Carman.

It was somewhat remarkable that Mrs. Carman did not take a visible hand in the selection of the jury. In each instance, however, she seemed well satisfied and chatted after the selection of each man with Mr. Graham and nodded her head as if she could find nothing but absolute approval for the entire course of the case.

Time and again Mr. Graham returned to find Mrs. Carman guilty if after all the evidence was in he could find any place in his mind an excuse for reasonable doubt.

Testimony of Negro in Question. Neither did he once fail to ask a tales-

man if he considered the testimony of a negro as much subject to rigid examination as that of a white person. This was undoubtedly due to the fact that Cella Coleman, the Carman's housemaid at the time of the murder, is one of the State's chief witnesses.

It was she who testified at the Coroner's inquest that Mrs. Carman had been in her bedroom at the time of the shooting and later reversed this testimony before the Grand Jury and said that Mrs. Carman had passed out of the house through the kitchen before the murder and back immediately afterward.

Eugene E. Carpenter, the eleventh jurymen chosen, admitted that he had once employed Assistant District Attorney Smith as a lawyer, but this fact was passed over by Mr. Graham when the talesman said that a previous business acquaintance with Mr. Weeks would not influence his decision. In like manner the District Attorney passed favorably on a talesman who admitted that he had employed Dr. Carman professionally and knew him personally to a slight extent.

The District Attorney was constantly vigilant lest a man should be selected for the jury who inclined to the belief that a woman should not be subjected to the same measure of justice as a man. Again and again he brought up the subject of capital punishment as well.

On but one occasion was there anything like a serious disagreement between the District Attorney and Mr. Graham. It was late in the afternoon and but a short time before the last jurymen was selected. Mr. Bailey had sat at the attorney's table between the District Attorney and his assistant during the entire session and kept a close watch on the jurymen selected, although there had been no conversation between them. Mr. Bailey was dressed in black, in mourning for his wife.

Silent Demand for Justice. "Now I should like to ask you," said Mr. Graham to one of the talesmen, "if the fact that the murdered woman's husband is sitting there before you, and apparently making a silent demand for justice, does not affect you in any way?" "I object," cried Mr. Smith, rising. "It seems to me that such a comment is wholly irrelevant and an unkindness to Mr. Bailey."

The matter ended there, not because the District Attorney's objection was sustained, but because Mr. Graham did not continue the subject. But the shot hit its mark. After the session Mr. Bailey said that it had been entirely out of his mind to arouse such a sentiment as Mr. Graham had made and said that tomorrow he would find a seat for himself in some other part of the court room.

Mr. Graham through the entire session was wholly persuasive with the talesmen rather than mandatory. There was no doubt that he made a favorable impression on the men. He seemed to be saying to them all the time: "Now, gentlemen, as a matter of fact I do not doubt the integrity of any one of you and only regret that you cannot all serve on the jury. We both feel that any twelve men of ordinary intelligence will prove our contention, namely, that she is innocent."

Her Poise Undisturbed. And if Mrs. Carman is guilty she is unquestionably one of the most remarkable criminals of recent years. The unexpected shock of a door slamming would cause more agitation in the facial expression of an ordinary woman than the allusion now and then in the proceedings to-day to death in the electric chair. With her. Not once was there a quick turning of the head, nor once a surprised wavering of the eyes, nor once a restless or impatient movement on her part. Certainly there was not the least suggestion of criminality in her face. In fact each of his expressions indicated the opposite to-day. There was, at times, an air of sweet and mildness about her mouth that was undoubtedly calculated to inspire confidence in the entire gentility of her character. Her eyes were steady in their gaze, her forehead was un-

wrinkled. There was nothing tense in any

KAISER'S SHIPS FIRED TILL ALL HAD SUNK

Battle Between British Undaunted and Destroyers Lasted Hour and a Half.

ADOPT SWIMMING COLLAR

Special Cable Despatch to THE SUN.

LONDON, Oct. 19.—The light cruiser Undaunted, Capt. Cecil Fox, and the destroyers Lennox, Lance, Legion and Loyal steamed proudly into the harbor at Harwich yesterday afternoon bringing details of the naval engagement off the coast of Holland on Saturday, when they sent four German destroyers to the bottom and escaped virtually unscathed themselves.

The enthusiasm with which the inhabitants of Harwich greeted the victorious squadron was unbounded. Both ashore and afloat the feeling ran high. From every ship in port the British flag was flung out and cheers were sent sounding across the water as the Undaunted led her cohorts to anchor.

Sailors, soldiers and civilians swarmed to the piers and filled every point of vantage in windows and roofs and balconies. The military hospital and the quayside were filled with rejoicing men who themselves bore marks of service. From men who came ashore the following details of the fight were gathered:

The Undaunted, with the four British destroyers, was on patrol duty off the coast of Holland when in the early afternoon of Saturday the lookouts on the cruisers sighted four of the enemy's destroyers steaming close together at some distance away.

The utmost advantage was taken of this piece of good luck and by fine seamanship the German boats were cut off from the possibility of running to safety in a German harbor.

Thus forced to face the issue the Germans to do them full justice, faced the odds bravely and fought with undiminished courage to the end.

The Undaunted opened the fight with her six inch guns at a range of five miles. Then the British destroyers closed in on the enemy's quarter and there began a running fight. The cruiser, protected from possible danger by torpedoes by her battling consort, devoted her attention particularly to two of the enemy's ships.

Meanwhile the destroyers were making fine practice against the other two. The Loyal quickly shot away the funnel of one of the German boats and the wheel of another, while the Lance, Legion and Lennox, all showing excellent marksmanship, battered the pair indiscriminately.

The reply of the German destroyers was of a vastly different character. Those who took part in the engagement describe it as a "hot time," but the enemy's gunnery was very poor. The proof of this is the almost absolutely undamaged condition of the British fighters.

As was the case in the battle of Heligoland the British contingent came out of the action safely and when they once got to close quarters the result was never in doubt.

After about half an hour of fighting the first of the German boats sank. Then at intervals the others were disabled and sent to the bottom, still fighting keenly, so that at the end of an hour and a half the battle was over.

All those who talked about the affair said that the enemy fought well and displayed a plucky gallantry. They said that the boats kept firing until they sank. This no doubt accounts for the very small number of German sailors picked up.

On the Loyal were three wounded British sailors, including one officer. She also carried four wounded Germans, among them an officer, who succumbed to his injuries on the way to port.

The four British destroyers were wounded were transferred to the hospital at Harwich, while the prisoners of war brought in by the Undaunted were sent to the barracks.

LOST 193 IN NAVAL FIGHT.

British Saved 31 Members of Four Destroyers' Crews, Berlin Reports.

BERLIN (via The Hague), Oct. 19.—The official announcement was made to-day that 193 men, including practically all the officers, were kept when the British cruiser Undaunted and four British destroyers sank four German destroyers off the Dutch coast.

The destroyers were the S-115, S-117, S-118 and S-119. All were built and put into commission in 1902. Each was 210 feet long and of 413 tons displacement and armed with three four pounders and one machine gun.

Thirty-one members of the four crews were rescued by the British and are now held as prisoners in England, according to the official announcement.

FRENCH TO BUY 20,000 HORSES.

Seven Cavalry Officers Here to Select Animals.

An indication of the huge scale on which belligerent European nations are now making purchases in the United States was given yesterday by the arrival in this city of seven French cavalry officers who are commissioned to buy 20,000 horses and other military supplies, whose cost will total, it is said, at least \$5,000,000.

Capt. de Halezau will go to Washington to confer with the French Ambassador and the State authorities and arrange for the shipment of the horses. It is expected that the field has been so well investigated that all the 20,000 horses will be on the ocean by December 1.

French Consul-General D'Anglade admitted yesterday that French agents were extensively buying American cannon and munitions of war, but would give no particulars.

ANTI-GERMAN RIOTERS HELD.

Ball Refused to Prisoners: Attacks Called "Disgrace to England."

LONDON, Oct. 19.—The scenes of rioting which marked the attack on stores owned by Germans in the borough of Deptford yesterday were repeated this evening. A strong force of police placed there following the request of the Germans for protection dispersed the mob. Most of the shops in the district are now barricaded.

When the thirty or more persons arrested yesterday appeared in the police court to-day the Magistrate held them all for trial on charges of rioting, saying that their action was a disgrace to England.

The Crown Prosecutor said he regretted to have to press a case against Englishmen accused of attacks on Germans, but he pointed out that much British property had been damaged in the rioting.

FUNERAL HELD DURING BATTLE.

Shells Brought Chaplain's Voice at Services for Gen. Hamilton.

LONDON, Oct. 19.—The death of Major-General Hubert Jon Hamilton is described in a letter last received from an officer friend of his.

"He was standing with a group in a covered place," writes the friend, "when a shrapnel shell burst 100 yards away. A bullet pierced Gen. Hamilton's temple and he was killed instantly. No other member of the group was scratched."

"It was a fine death, but I know how the General would have felt to be taken before his work was done, a great funeral service was held on the field while shells were bursting all around, continues the letter. Sometimes the noise of exploding shells drowned out the voice of the chaplain who was reading the service."

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Now coming in by the shipload—enough for everybody

Cabinet Size, 3-for-25c.
Box of 50, \$4.15

UNITED CIGAR STORES

DUTCH NEXT IN LINE IS FEAR OF HOLLAND

Canadian, Returning From Brussels, Says Nation Expects Neutrality Break.

RHEIMS LITTLE DAMAGED

Special Cable Despatch to THE SUN.

LONDON, Oct. 19.—Charles Gould, a Canadian business man who was in business in Brussels and who secured permission from the Germans to leave the country via Antwerp, arrived in London to-night. He said that it made him heart sick to observe while on the way to Antwerp the familiar London motor buses carrying German soldiers to Brussels.

Mr. Gould confirmed the report that Antwerp was less damaged by the bombardment than was supposed at first. He said that perfect order has been restored in the city, which is now existing under almost normal conditions. The Germans endeavoring to restore confidence. Hotels and cafes have been reopened, but are occupied exclusively by German soldiers and officers. Remarkably few civilians are to be seen in the streets.

In Brera, which he reached on Sunday night, Mr. Gould found that the sentiment in Holland was extremely anti-German. In every cafe would be found Dutch soldiers shouting "Vive la Belgique."

The Dutch army is fully mobilized, he said, and the general feeling is that Holland will soon be drawn into the vortex.

Mr. Gould understood that diplomatic attempts to induce Holland to lift the ban of neutrality on the Scheldt in the interests of Germany had failed, but that the negotiations had been renewed, although they are not expected to succeed. The opinion is that Germany will endeavor to take what she wants by force.

Dutch and German soldiers face each other across the frontier at every point. The Dutch interpreted the fall of Antwerp as meaning "Holland next on the list."

Mr. Gould gave many instances of anti-German feeling in Holland. One of these instances was a Dutch cheese merchant who was asked by the Germans for quotations on his commodity. He said he would accept any price if he were permitted to fill the cheese full of arsenic.

Mr. Gould also mentioned a report current in Brera that 12,000 German troops on Friday last lost their way and wandered into Holland by way of Maastricht, where they were interned. He said that Americans are well treated by Germans, who seem especially anxious to impress upon them the amiable qualities of all Germans.

OFFER BLOOD FOR WOUNDED.

Fifty Frenchmen Would Save Victims From Hemorrhage Effects.

Special Cable Despatch to THE SUN.

LYONS, France, Oct. 19.—Military surgeons who called for volunteers to give their blood to save the wounded soldiers from the effects of hemorrhages had a gratifying response. Fifty persons offered themselves immediately.

Alleged Austrian Spies in Canada. Quebec, Oct. 19.—The Quebec authorities have arrested two alleged Austrian spies. They had in their possession drawings and plans of the Martiniere fort near Levis.

IRISH WOULD FREE BELGIUM.

Nationalists Take Pledge They Will Crush Militarism.

Special Cable Despatch to THE SUN.

LONDON, Oct. 19.—At a meeting of Irish Nationalists here confidence was expressed in the support which John Redmond has pledged to the allies against Prussian militarism. Those present joined in a remarkable expression, standing with their right hands raised in the form of affirmation (this repeated after T. P. O'Connor the following pledge):

"We will never sheath our swords until Belgium has got back her freedom, until every inch of her soil is cleared and until that 'scum of paper' is guarded by a steel clad fortress behind which will stand the British race."

Stern Brothers

42nd and 43rd Streets, West of Fifth Avenue.

The Men's Clothing Dept.

Announce for To-day, Tuesday, a very important offering of

Eight Weight Overcoats, at \$24.50

Full silk lined dress models, some braid bound; single and double-breasted close-fitting styles with velvet collars; and a wide range of loose fitting raglans and slip-ons; sizes 34 to 48 chest. Regularly \$35.00 to 40.00

Men's Fall Overcoats, - at \$18.50

In smart, loose-fitting raglans and slip-ons, made of high grade fabrics, in browns, blues, grays and mixtures; also full silk-lined models for dress wear; in sizes 33 to 46 chest. Regularly \$25.00 to 30.00